

Washington, DC— Today, Congressman Joe Sestak (PA-07) voted for H.R. 2, the State Children's Health Insurance Program (SCHIP) Reauthorization bill, which reauthorizes and strengthens the State Children's Health Insurance Program. This legislation, which reflected a bipartisan compromise, would provide health insurance for 11 million low-income children across America through FY 2013. H.R. 2 passed by an overwhelming margin, 289-139, and will be sent to the President to be signed into law. —

“Ensuring healthcare coverage for all of our nation's children is vital to our overall health security,” said Congressman Sestak. “With unemployment at 7.2%- a 16 year high- and rising, this SCHIP bill is now more critical than ever. We must act immediately to protect affordable health care insurance coverage for the low-income children across America who depend on the SCHIP program, in addition to extending health care coverage to currently uninsured children in low and low-middle income families.”

SCHIP is a national program, established with bipartisan support in 1997 to address the growing number of children in the United States without health insurance coverage. It currently serves six million children nationally, including 227,367 children in Pennsylvania. Both the House and Senate passed versions of the SCHIP Reauthorization in the 110th Congress, but the legislation was vetoed by the President. The program will permanently expire in March 2009 if H.R. 2 is not signed into law.

Reauthorizing the Program before the upcoming expiration date is more vital now than ever, because every year of economic downturn 36,400 additional Pennsylvania children will enter SCHIP/State Medicaid programs. At a time when 33 states are in recession and the number of unemployed Americans has increased by 524,000 in the last month, the Congress must reauthorize and increase SCHIP funding to guarantee sufficient funding levels for the CHIP program to not only maintain current enrollment levels but also to address additional needs among uninsured children.

“Two years ago, my daughter was diagnosed with a malignant brain tumor,” said Congressman Sestak. “After brain surgery, she began chemotherapy in a cancer ward where her roommate was a two and half year old boy diagnosed with acute leukemia. My wife and I overheard social workers discussing over a period of six hours whether the boy could stay and receive treatment because he didn't have health insurance. I am very fortunate that this nation, through my military health care plan, saved my daughter's life. This was the reason I wanted to serve in Congress -to ensure every child, including that two and a half year old boy, would have that opportunity to live a healthy productive life. I strongly believe in SCHIP and in enhancing the program.”

Specifically, H.R. 2 includes the following provisions:

Ensures health care coverage for 11 million American children. The bill renews and improves the State Children's Health Insurance Program (SCHIP), reauthorizing it for four and a half years – through FY 2013. The bill ensures that the 7 million children who currently participate in SCHIP continue to receive coverage. It also extends coverage to 4 million uninsured children, according to the nonpartisan CBO.

Improves care and strengthens funding. The bill invests billions in new funding over five years in SCHIP in order to strengthen SCHIP's financing; increase health care coverage for low-income, uninsured children; and improve the quality of health care children receive.

Provides resources for states to reach uninsured children who are today eligible for SCHIP and Medicaid but not yet enrolled. Two-thirds of uninsured children are currently eligible for coverage through SCHIP or Medicaid – but better outreach and adequate funding are needed to identify and enroll them. This bill gives states the resources and incentives necessary to reach and cover millions of uninsured children who are eligible for, but not enrolled in, SCHIP and Medicaid.

Improves SCHIP benefits – ensuring dental coverage and mental health parity. Under the bill, quality dental coverage will now be provided to all children enrolled in SCHIP. The bill also ensures that states will offer mental health services on par with medical and surgical benefits covered under SCHIP.

Improves outreach tools to streamline enrollment of eligible children. The bill provides \$100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

Improves the quality of care for low-income children. The bill establishes a new initiative to develop and implement pediatric health quality measures and improve state reporting of quality data.

Gives states the option of covering certain legal immigrant children. The bill gives states the option of covering legal immigrant children who have been here less than five years under SCHIP and Medicaid. The current five-year wait period can mean the difference between

preventing or treating health conditions that can affect a child's prospects for a healthy and productive life – or leaving those conditions undetected and not prevented, costing taxpayers much more in the long run. (The House passed this provision previously on August 1, 2007 as part of the Children's Health and Medicare Protection (CHAMP) Act.)

Prioritizes children's coverage and phases out coverage of childless adults and parents. The bill phases out the coverage of childless adults and parents in SCHIP.

Is fully paid-for – with an increase in the tobacco tax and a provision regarding self-referral to physician-owned hospitals. First, the bill raises the tobacco tax by 61 cents a pack. Raising the tobacco tax discourages children from smoking – and polls show the public supports it as a way to pay for health care. According to the Campaign for Tobacco-Free Kids, a 61-cent increase in the tobacco tax means that 1,873,000 fewer children will take up smoking. Secondly, the bill closes a loophole in Medicare that allows physicians to profit from referring their patients to hospitals in which they have an ownership interest. Many analysts believe that self-referral to physician-owned hospitals increases unnecessary utilization and encourages the skimming of healthier, less complex, and insured patients by these facilities for higher profit margins. Consequently, this leaves full-service community hospitals with sicker, more complex (and less profitable) patients, which is a further drain on the safety net.

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*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.*

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